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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/442,819	11/18/1999	WARREN F. SCHMALENBERGER	SCHC.002	6427

7590

03/21/2002

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EXAMINER

FELTEN, DANIEL S

ART UNIT

PAPER NUMBER

2164

DATE MAILED: 03/21/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/442,819

Applicant(s)

SCHMALENBERGER, WARREN F.

Examiner

Daniel S Felten

Art Unit

2164

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on 18 November 1999.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☒ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 2.
- 4) ☐ Interview Summary (PTO-413) Paper No(s) _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

DETAILED ACTION

Specification

1. The title of the invention is not descriptive. A new title is required that is clearly indicative of the invention to which the claims are directed.
2. The following title is suggested: --System and Method for Computing an International Capital Market Index based on Weighted Market Sector Indexes--

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barr et al (hereinafter "Barr", US 5,761, 422) in view of Khorana, A., "The Emergence of Country Index Funds", Journal of Portfolio Management; New York; Summer 1998. (hereinafter, "Khorana")

1 Barr discloses a computer data processing system and method for selecting securities, and
2 constructing an investment portfolio through neural net tracking. The system creates a hybrid
3 index 100 by taking the average of two separate indexes (*S&P 500 and S&P 400 midcap index*
4 *returns*) as well as other market data (10--*Technical Inputs...Price, Volume Information*; and 30--
5 *Fundamental Inputs...Historical Earnings*) (see Barr, figs. 2 & 3, col. 2, lines 2+; col. 6, lines 26-
6 50, col. 8, line 29-36).

7 Barr fails to disclose obtaining a current index of stock bond, and money markets sectors
8 of the market place and computing a weighted factor for each index. Khorana discloses World
9 Equity Benchmark Shares (WEBS) as an international indexing instrument. WEBS are a current
10 index (or indexes) of mutual funds which may represent various sectors of the market place
11 (stocks, bonds, etc.,)(see Khorana article, particularly, *Empirical Results...Performance*
12 *Comparisons and Index tracking accuracy*). It would have been obvious for an artisan of
13 ordinary skill at the time of the invention of to integrate the method disclosed in Khorana
14 because an artisan of ordinary skill in the art would recognize that the use of WEBS in the Bloom
15 system would greatly increase its usage to an international scale, as well as broader market.
16 Thus such a modification would allow a more diversified level of indexing an classification of
17 securities, and thus would be an obvious expedient to one of ordinary skill in the art.

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Conclusion

5. A list of relevant prior art appears below not relied upon in this Office Action:

US Patents:

Bloom et al (US 6,061,663) discloses Index rebalancing

Champion et al (US 5,126,936) discloses goal-directed financial asset management system

Tull, Jr. et al (US 5,946,667) discloses a data processing system and method for financial debt instruments

Rode et al (US 3,946,218) discloses a general purpose calculator

Non- Patented Literature:

Fernholz. R., "Diversity-weighted indexing", Journal of portfolio management; new york; New York; winter 1998

"Annual changes to the Nasdaq-100 Index, new Index share product on the Nasdaq-100 Index", PR Newswire; New York; December 14, 1998

Larsen, G., "Empirical insights on indexing", Journal of Portfolio Management; New York; Fall 1998.

Kelly, J., "The relationship between bonds and stocks in emerging countries", Journal of Portfolio Management; New York; Spring 1998

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ***Daniel S. Felten*** whose telephone number is (703) 305-0724. The examiner can normally be reached between the hours of 7:00AM to 5:30PM Monday-Thursday. Any inquiry of a general nature relating to the status of this application or its proceedings should

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1 be directed to the Customer Service Office (703) 306-5631, or the examiner's supervisor
2 **Vincent Millin** whose telephone number is (703) 308-1065.

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4 7. Response to this action should be mailed to:

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6 Commissioner of Patents and Trademarks

7 Washington, D.C. 20231

8
9 for formal communications intended for entry, or (703) 305-0040, for informal or draft
10 communications, please label "Proposed" or "Draft".

11 Communications via Internet e-mail regarding this application, other than those under 35
12 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be
13 addressed to *[daniel.felten@uspto.gov]*.

14
15 All Internet e-mail communications will be made of record in the application file. PTO
16 employees do not engage in Internet communications where there exists a possibility that
17 sensitive information could be identified or exchanged unless the record includes a properly
18 signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly
19 set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and
20 Trademark on February 25, 1997 at 1 195 OG 89.

21 

22 DSF

23 March 11, 2002


VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100